

**Washington State Ferries
Quarterly Business and Financial Update**

Briefing Paper
Prepared for the December 2003
Transportation Commission Meeting

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PURPOSE:

To provide an update on the current business operations and financial performance of Washington State Ferries (WSF) for the quarter ended September 30, 2003.

ACTION/OUTCOME:

This briefing is for information only and no action will be required of the Commission.

BACKGROUND:

The Commission has approved a strategic business plan for WSF that provides a balanced approach for bringing long-term financial viability to WSF operations, and a capital plan that will provide for the timely replacement, preservation and modernization of its assets. The successful implementation of these plans was encouraged and assisted by the Legislature, which passed enabling legislation and funding for WSF during the 2003 session.

DISCUSSION:

WSF will report on the current status and financial results of implementing these strategic operating and capital plans. The briefing will cover the following topics:

- A financial report of our operating and capital expenditures for the quarter ended September 30, 2003 compared to budget.
- Recent farebox revenue and ridership trends.
- Current status on implementing new revenue initiatives including the RFP for new food concessions, redevelopment of Pier 52 in Seattle, advertising and parking lots.
- WSF efforts and success in securing federal funds as a new source of revenue.
- Current status on the revenue collection system and smart card project.
- Status on implementation of a more proactive management process for Jones Act injury claims by vessel crew employees including a summary review of accident/injury costs, steps underway or contemplated internally to improve cost controls and better manage claims, and plans and options for third-party administrator services to supplement those efforts.

RECOMMENDATION:

This briefing is for information only.

For further information, please contact Mike Thorne, CEO, Washington State Ferries at 206-515-3401.